



***Interagency Council on Homelessness
Housing Solutions Committee***



19 September 2022

Meeting Agenda



- I. **Welcome & Agenda Review (5 mins)**
 - a) **Introduction & Agenda Review**
 - b) **Adoption of Prior Meeting Notes**
 - c) **Call for Partners Updates/Announcements**
- II. **DHCD Updates (30 mins)**
 - a) **Consolidated RFP Results from Round 2**
 - b) **Other (as/if appropriate)**
- III. **DCHA Updates (30 mins)**
 - a) **Payment Standards**
 - b) **Process Improvements Underway**
 - c) **LRSP Program Amendments**
 - d) **Progress on New Framework with DHCD**
- IV. **ICH Update (20 mins)**
 - a) **Capacity Building Initiative**
- V. **Announcements and Reminders (as needed)**
- VI. **Summary and Adjournment (5 mins)**
 - a) **Next Meeting: Monday Oct 17 from 2 – 3 pm**

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CRFP Results



- ❖ DHCD Presentation on Outcome of Round 2
- ❖ Q&A Discussion, with a focus on
 - How many dedicated homeless services units (i.e., PSH, PSH Plus, or Deeply Affordable Housing (DAH)) did we get from Round 2?
 - What can the District do to increase the number of units dedicated to homeless services under future RFPs?
 - What is the role of the Housing Solutions Committee in increasing the number of units dedicated to homeless services (PSH, PSH Plus, or DAH)?

DHCD Consolidated RFP Selections



11 selected projects requested \$170,000,000 in Housing Production Trust Fund and federal gap financing, LRSP, and 9% LIHTC

955 net new units – 164 units preserved

- **Harvard Court Apartments** (Ward 1) – This project will produce 109 net new units of affordable housing including 22 units of deeply affordable housing designated for permanent supportive housing. Housing Provider: The NHP Foundation.
- **145 Kennedy Street** (Ward 4) – This project will produce 35 net new units of affordable housing including 8 units of deeply affordable housing designated for permanent supportive housing. Housing Provider: Phi Beta Sigma and Legacy Real Estate Development LLC.
- **McMillan Senior Apartments** (Ward 5) – This project will produce 85 units of net new affordable housing including 24 units of deeply affordable housing designated for permanent supportive housing. Housing Provider: Jair Lynch and THC Affordable Housing Inc.
- **1109 Congress Street** (Ward 6) – This project will produce 69 net new units of affordable housing of which all will be deeply affordable housing designated for permanent supportive housing. Housing Provider: MacArthur Development Partners LLC.
- **Parcel B Buzzard's Point Senior** (Ward 6) – This project will produce 110 net new units of affordable housing with a majority targeting the District's lowest income households. Housing Provider: Volunteers of America National Services and Hoffman & Associates.
- **Deanwood Station** (Ward 7) – This project will produce 15 affordable homeownership opportunities. Housing Provider: Medici Road and James River Housing.
- **950 Eastern Avenue NE** (Ward 7) – This project will produce 56 net new units of affordable housing including 13 units of deeply affordable housing designated for permanent supportive housing. Housing Provider: TM Associates Development Inc. and Kadida Development Group LLC.
- **Benning Road Metro Affordable** (Ward 7) – This project will produce 109 units of net new affordable housing including 22 units of deeply affordable housing designated for PSH. Housing Provider: The NRP Group and Marshall Heights Community Development Corporation.
- **Ridgecrest Phase 2** (Ward 8) – This project will produce 64 net new units of affordable housing while preserving another 64 units of existing affordable housing. Housing Provider: The NHP Foundation.
- **Belmont Phase 2** (Ward 8) – This project will produce 124 net new units of affordable housing while preserving another 100 units of existing affordable housing. Housing Provider: Gilbane Development Company, MED Developers, Housing HelpPlus, and EquityPlus Manager.
- **Congress Heights Metro Residential** (Ward 8) – This project will produce 179 units of net new affordable housing including 10 units of deeply affordable housing designated for permanent supportive housing. Housing Provider: NHT Communities.



DHCD Consolidated RFP Selections



Project Name	Address	Ward	Total units	80% MFI	60% MFI	50% MFI	30% MFI	PSH units	Requested Operating Subsidies
1109 Congress Street	1109 Congress Street NE	6	69				69	69	69
Deanwood Station	4726 Sheriff Road NE	7	15	11		2	2		
145 Kennedy Street	145 Kennedy Street NW	4	35		27		8	8	8
950 Eastern Avenue NE	950 Eastern Avenue NE	7	56			43	13	13	13
McMillan Senior Apartments	2940 North Capital Street NW	5	85		9	52	24	24	24
Benning Road Metro Affordable	4401 Benning Road NE	7	109	22		65	22	22	22
Harvard Court Apartments	2900 14th Street NW	1	109			87	22	22	22
Parcel B Buzzard's Point Senior	100 Potomac Avenue SW	6	110			41	69	6	34
Ridgecrest Phase 2	2112 Ridgecrest Ct, SE	8	128	26	49	27	26	26	26
Congress Heights Metro Residential	1301 Alabama Ave SE	8	179	19		150	10	10	10
Belmont Phase 2	4386 7th Street SE	8	224	45		102	77	70	70
Total			1119	123	85	569	342	270	298



Discussion



- ❖ How many dedicated homeless services units (i.e., PSH, PSH Plus, or Deeply Affordable Housing (DAH)) did we get from Rounds 1 & 2?
 - Initial count from Round 1: 130
 - Initial count from Round 2: 270
 - Preliminary Sub-Total: 400 PSH Units

- ❖ What can the District do to increase the number of units dedicated to homeless services under future RFPs?
 - Would like to see a breakdown of families and singles to make sure that the majority of PSH we're producing is for singles?
 - Confusing to see Deeply Affordable Housing (DAH) listed as an option but the count of units is limited to PSH units because deeply affordable housing is used to flag units that are at 30% MFI
 - Options for multiple rounds a year? Not sure if that's possible. Commitment to do an RFP annually.
 - Consistency of 2 rounds for next year? Not sure yet. DHCD will debrief with proposals that were not funded to get feedback from developers that were not funded on what worked or didn't work.
 - Can we prioritize units dedicated to homeless services as part of 1st round? DHCD willing to consider!

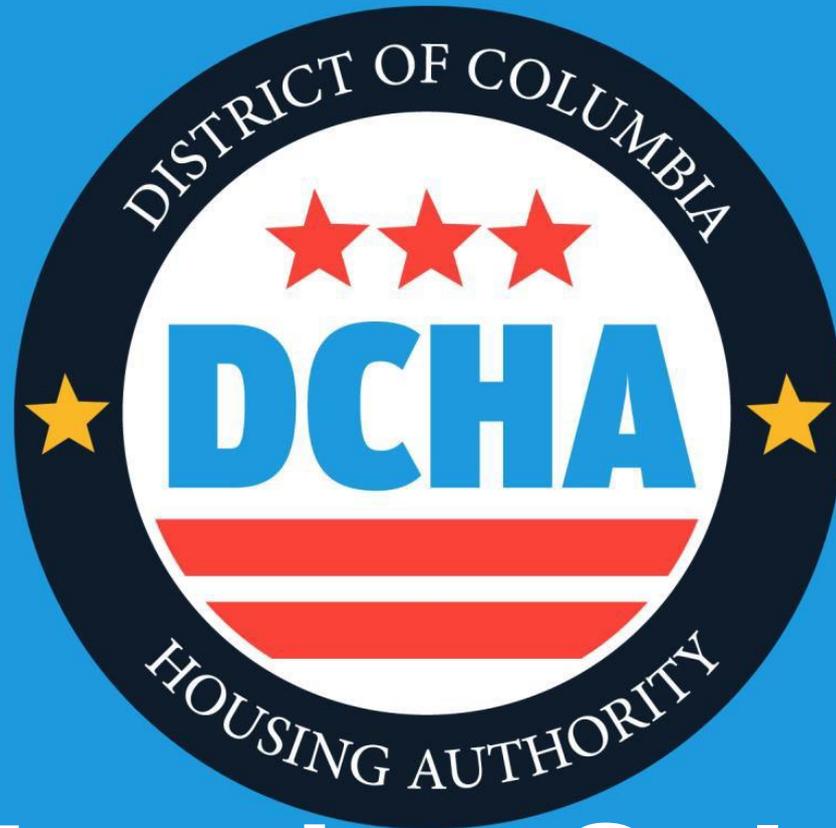
- ❖ What is the role of the Housing Solutions Committee in increasing the number of units dedicated to homeless services (PSH, PSH Plus, or DAH)?

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DCHA Update



ICH Housing Solutions September 2022

Agenda

1.Payment Standards

2.HCVP Business Review Update

3.LRSP Update



DC HOUSING AUTHORITY

Background

- Last year, the DCHA Board of Commissioners requested that DCHA perform a rent analysis for all Housing Choice Voucher Payments with the goal of ensuring a fair and equitable standard across the District.
- In May 2022, DCHA staff presented an initial analysis that seemed to indicate that DCHA was consistently overpaying as compared to approved rents.
- The initial recommendation was to implement a new payment standard that would adjust rent downward over the course of several years. This recommendation, however, was based on analyses developed from flawed data.
- Data has been reviewed and corrected and Novogradac completed a market analysis to review current market and Nan McKay & Associates completed the Impact Study.
- Impact Analysis of Market analysis and initial recommendations were developed



DCHA Recommendations & Rationale

Recommendation 1: Continue to establish Payment Standards using Fair Market Rents (FMR) – and associated submarkets – as an index

Rationale:

- There are 59 neighborhoods or submarkets and 22 zip codes in DC – and they do not align. There is more variability within zip codes than within neighborhoods.

COMPLETED



DC HOUSING AUTHORITY

DCHA Recommendations & Rationale

Recommendation 2: Maintain the current Payment Standard of up to one hundred eighty-seven percent (187%) of the FMR for all size units in all areas of DC.

Rationale: This Payment Standards continues to allow us to achieve our goal of client choice and access to high opportunity neighborhoods. Approved rents do not and will not exceed the Payment Standard.

	100% FMR	110% FMR	130% FMR	150% FMR	187% FMR
Neighborhoods with partial or full access	18	41	50	53	57
Percentage of Neighborhoods with partial or full access	32%	72%	88%	93%	100%

*This is based on the 57 of 59 neighborhoods where market data was available.



FY2023 Payment Standard

- Adopt updated Payment Standard: Approved September 2022
- HUD published FY2023 Fair Market Rent for each bedroom size in September

HUD FMR	FY2023
Studio	\$1,589
1 Bedroom	\$1,615
2 Bedroom	\$1,838
3 Bedroom	\$2,299
4 Bedroom	\$2,742

Approved Payment Standard	187% of FMR FY2023
Studio	\$2,971
1 Bedroom	\$3,020
2 Bedroom	\$3,437
3 Bedroom	\$4,299
4 Bedroom	\$5,128
5 Bedroom	\$5,897
6 Bedroom	\$6,666

NOTE: The [FMRs](#) for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. Example: FMR for a five bedroom unit is 1.15 times the four bedroom FMR ; FMR for a six bedroom unit is 1.30 times the four bedroom FMR



DCHA Recommendations & Rationale

Recommendation 3: Administer a small one-time increase for any unit where the HAP contract rent does not exceed current approved rents; pending the availability of funding, DCHA expects to be able to effectuate these increases in Q2 of FY23. Note that this will only apply to units that have passed inspection and where HAP contracts have been in place for more than one year

Rationale:

- The Novogradac market analysis indicates that rents have gone up in most submarkets and DCHA has not approved rent increases since 2018.

Status and Next Steps: **IN PROCESS**

Data review in process to identify which properties are eligible for one-time increase where HAP contract rent is below current approved rents, has current inspection records and has been occupied for 12mo or more.

Fiscal Impact and implementation plan to be provided FY23 Q1



DC HOUSING AUTHORITY

DCHA Recommendations & Rationale

Recommendation 4: Based on budget availability, build in routine increases of HUD's Annual Adjustment Factor (AAF) so long as the HAP rent does not exceed the approved rent AND the unit passes the required inspection. Also, DCHA will complete a market study every three years and make adjustments accordingly.

Rationale:

- This establishes a process for rent adjustments in out years.

Status and Next Steps: PENDING



DC HOUSING AUTHORITY

DCHA Recommendations & Rationale

Recommendation 5: Pending the availability of funding (local and federal), modify approved rents to align with the Novogradac market analysis or 187% of FMR, whichever is smaller, holding harmless or grandfathering in any existing residents where the Novogradac market analysis indicates the rent should be lower.

Rationale: At the time of these studies, DCHA's budget was already established so we do not have resources to effectuate these changes today. The "hold harmless" policy will allow residents to stay in their units and is fair to landlords who have already signed a HAP.

Status and Next Steps: **IN PROCESS**

Novogradac study results and feedback received from stakeholders to further analyze anomalies and errors

Upon completion of review, update approved rents to align with current market for new contracts

Review fiscal impact and monitor increases



DC HOUSING AUTHORITY

HCVP Business Review Update

HCV & ECOD Assessment for the District of Columbia Housing Authority					
Task	Start Date	End Date	Resource	Status	Comments
Total Project Timeline	5/2/2022	11/1/2022	CJones	In Progress	
Onsite Introductory Meeting	5/2/2022	5/2/2022	CJones	Complete	
Review DCHA Policy & Practice	5/2/2022	9/30/2022	CJones	Complete	
Conduct Individual and Group Interviews/Discussions	5/2/2022	9/30/2022	CJones	Complete	
Document Current Workflows/Processes	5/2/2022	9/30/2022	CJones	In Progress	
Closeout Meeting	9/30/2022	11/1/2022	CJones	In Progress	Close-out meeting completed for third onsite visit

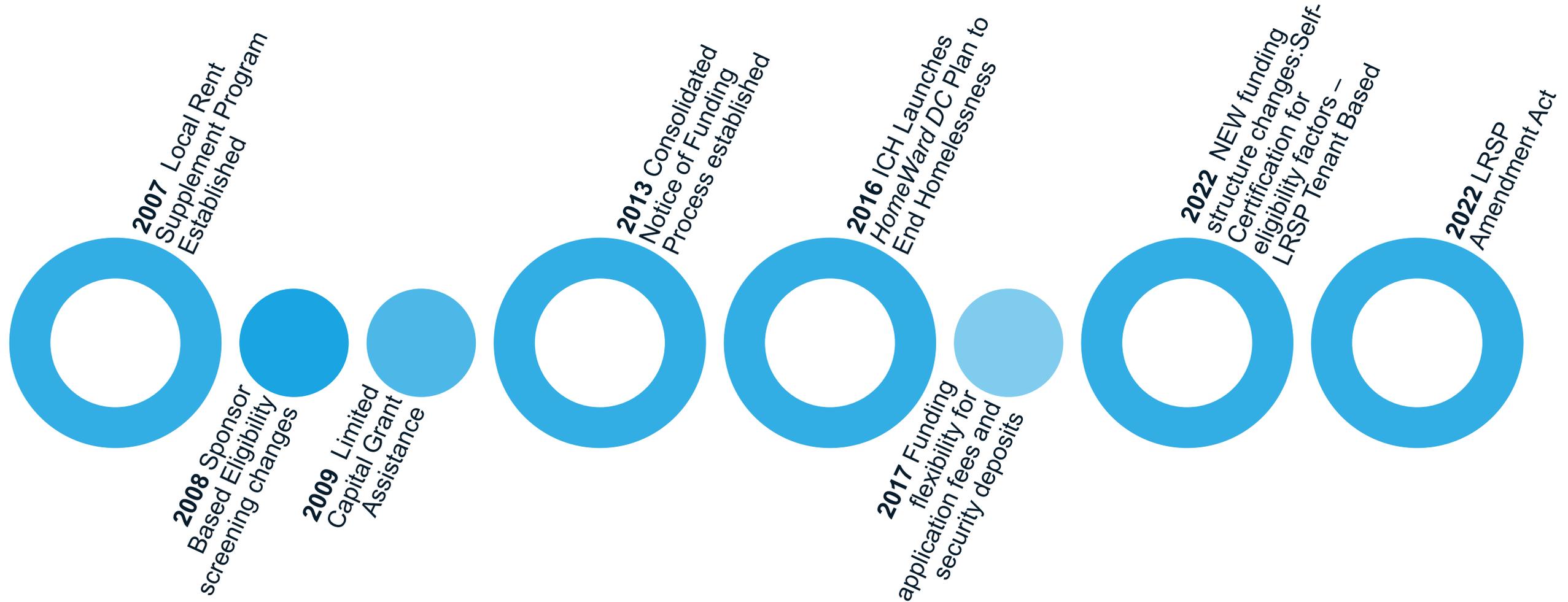


HCVP Business Review

Task	Start Date	End Date	Resource	Status	Comments
Phase IV: Deliverables					
Stakeholder Engagement	11/5/2022	9/9/2022	CJones	Complete	Resident Surveys close 8/31/2021. participant and landlord surveys were sent via email blast;
Analyze and Revise Policy Manuals	5/9/2022	9/16/2022	CJones	In Progress	Provide policy recommendations to DCMR
Redesign Business Processes and Service Delivery Models	9/12/2022	9/30/2022	CJones	In Progress	Draft of business processes for Eligibility and Project Based Provided
Develop Training Curriculum Content, Design & Delivery	10/3/2022	10/31/2022	TBD	Not Started	
Develop Critical Measures to Drive Continuous Improvement	5/9/2022	8/31/2022	CJones	Complete	Draft report provided to DCHA or federal, local and sponsor based and scorecard
Develop Draft Analysis, Recommendations & Strategy	9/3/2022	9/30/2022	CJones	In Progress	
Submit Draft Analysis, Recommendations & Strategy	7/22/2022	9/30/2022	CJones	In Progress	
Review Draft with DCHA	8/15/2022	10/7/2022	CJones	Not Started	
Receive Written Feedback from DCHA	8/20/2022	10/14/2022	CJones	Not Started	
Incorporate DCHA Feedback into Draft	8/25/2022	10/17/2022	CJones	Not Started	
Finalize Draft	8/29/2022	10/21/2022	CJones	Not Started	
Submit Final Report to DCHA	8/31/2022	10/21/2022	CJones	Not Started	
Present Recommendations to Designated Representatives	9/1/2022	11/1/2022	CJones	Not Started	



Milestones in Local Rent Supplement Program



FY2022 BSA and LRSP Amendment Act Summary

Rent Supplement Program Tenant-Based Allocation Fund :

- Amounts appropriated to the Department of Human Services for new tenant-based voucher assistance
- Non lapsing

Housing Authority Rent Supplement Program Fund:

- Amounts appropriated to DC Housing Authority to provide Tenant Based, Project Sponsor Based assistance.

Rent Supplement Program Project-Based Allocation Fund

- Amounts appropriated to Department of Housing and Community Development for new project/sponsor based voucher assistance
- Targeted production and preservation goals
 - DHCD leads solicitation and selection of projects
 - DHCD provides funding commitment to DCHA
 - DCHA administers long term subsidy contracts
 - Once projects are online, ongoing funding for projects appropriated to DCHA Rent Supplement Fund



FY2022 BSA and LRSP Amendment Act Summary

Eligibility and Continued Occupancy requirement changes for LRSP:

- Streamlining eligibility and continued occupancy:
 - Self-certification for eligibility and continued occupancy
 - Immigration status will NOT be considered for LRSP assistance
 - Pending or criminal background will NOT be considered for LRSP assistance

- Budgeting and Planning improvements
 - Collaborating with OCFO and DHCD to streamline reporting and projections



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Capacity Building Initiative



- ❖ We want your feedback on the following:
 - Scope of the Capacity Building Initiative
 - Approach to the Capacity Building work
 - Some of the proposed activities

Framing the Challenge



A long-standing challenge in the District has been the capacity in developing PSH.

- ❖ Homeward DC 2.0 focused on the need for supporting the capacity building related to PSH; since then, we have also established that we want to pilot and build out:
 - PSH Plus
 - Deeply Affordable Housing (DAH)

There has been an influx of significant new federal and local resources alongside a growing recognition of the need for a robust pipeline of quality PSH projects to start addressing the estimated 1,000-2,000 units of site-based PSH needed in the District.

- ❖ Given the influx of PSH tenant-based vouchers, not clear if we still need 1,000 – 2,000 units of PSH. Or if these site-based interventions need to also include PSH Plus and DAH options
- ❖ Additionally, the planning process for HOME ARP highlighted the desire of the community to use federal and local resources for PSH Plus and DAH

Understanding the Goal



As a part of a broader PSH pipeline creation initiative, develop an exhibition (a roadshow) that focuses on outreach and engagement of potential developers and partners in the PSH production goals of the District.

To include PSH Plus and DAH, if that resonates with the Housing Solutions Committee

Approach to Developing Pipeline Exhibit



Activities	Description
1.	Develop a conversation guide and a series of questions
2.	Select and engage stakeholders that are not actively developing PSH. <ul style="list-style-type: none">• Forms: one-on-one conversations and small group listening sessions or focus groups.• Types of stakeholders: housing, healthcare, and faith-based sectors.• Focus: to better understand of barriers and challenges to PSH development
3.	Review feedback received with ICH Housing Solutions Committee
4.	Develop Draft Exhibition based on Phase 1, 2, 3

Developing a Conversation Guide



- ❖ Knowledge of or experience with homeless services
 - What do you know about the District's homeless services system?
 - What do you need to understand to consider participating in developing units that are dedicated to homeless services clients?
- ❖ Knowledge of or experience with financing and developing affordable housing
 - What do you know about the different options for subsidizing affordable housing in the District?
 - What do you need to understand to consider participating?
- ❖ Type of capacity supports needed
- ❖ Timing of capacity supports needed

Selecting/Engaging Stakeholders



- ❖ Types of stakeholders
 - Faith Based/Churches
 - Others?

- ❖ Leveraging Associations/Networks

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